

Silpada exec: Insurmountable revenue declines doomed company



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As recently as early May, co-CEOs Kelsey Perry (left) and Ryane Delka were promoting Silpada Designs' summer catalog photo shoot. But a day after the company announced it was shutting down, an executive revealed that global social shifts had led to an insurmountable loss in revenue.

By [Leslie Collins](#) — Staff Writer, Kansas City Business Journal

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<https://www.bizjournals.com/kansascity/news/2016/05/25/silpada-designs-social-changes-doom-company.html>



Two and a half weeks ago, the Silpada Designs co-CEOs were promoting the company's summer catalog photo shoot on their joint Facebook page, and their most recent post showed them in workout gear for a morning meeting at the gym.

By Tuesday afternoon, however, the Facebook page had been deactivated, and the Lenexa-based company announced that it had [begun the process of shutting down](#) and liquidating its inventory.

When the *Kansas City Business Journal* interviewed co-CEOs [Kelsey Perry](#) and [Ryane Delka](#) for a [Newsmaker feature earlier this year](#), the two gave no hint of trouble.

"We're in this to create a company that's going to be around for decades, generations, that's going to continue to give women opportunity to define their own success and define who they are as a woman," Perry told the *Kansas City Business Journal* in early February.

But the co-CEOs couldn't overcome global social shifts that were leading to an insurmountable loss in revenue.

During the past six years, Silpada's revenue has declined 20 percent to 30 percent year-to-year, [Andrea Carroll](#), Silpada's vice president of marketing and development, told the *Business Journal* on Wednesday.

When Avon bought the company in 2010 for \$650 million, Silpada had about 30,000 sales reps in the U.S. and Canada. Today, there are only 15,000, she said.

The Silpada founders [bought back the company from Avon in 2013](#) for \$85 million and later introduced new product lines and a new direct-sales model in an effort to boost revenue. But women's lives have changed since the company was founded in 1997, Carroll said. Back then, more women chose to stay at home and used Silpada's direct-sales model to make extra income and launch their career. They also used it as an opportunity to "get out of the house" and hang out with other women.

"Today, you have almost the complete opposite number of women who start out in the workforce and careers, and everybody's so busy that even just a little side job of selling jewelry is hard to fit it in," Carroll said. "The home party is the heartbeat of this business, and women don't party the way they used to."

Silpada also saw a decline in the number of sales reps recruiting others into the business.

The company faced significant headwinds that showed no signs of letting up, which led to the board's decision to shutter the business, she said.

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